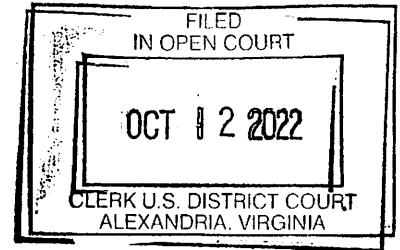


THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA

v.

COLBY JOHN KOPP,

a.k.a MADHATTERPHARMA,
a.k.a. HATMATTER,

Defendant.

Case No. 1:22-CR-190

Count 1: 21 U.S.C. §§ 841(a)(1) and 846
(Conspiracy to Distribute 40
Grams or More of Fentanyl)

Forfeiture Notice

INDICTMENT

October 2022 Term – Alexandria, Virginia

COUNT ONE

(Conspiracy to Distribute 40 Grams or More of Fentanyl)

THE GRAND JURY CHARGES THAT:

BACKGROUND AND DEFINITIONS

1. The “clear” or “surface” web is part of the internet accessible to anyone with a standard browser and that standard web search engines can index. The deep web is the part of the internet whose contents are not indexed by standard web search engines. The darknet is a part of the deep web that not only cannot be discovered through a traditional search engine, but also has been intentionally hidden and is inaccessible through standard browsers and methods.

2. Darknet marketplaces operate on the darknet. These sites are generally only accessible through the input of specific addresses in what is often referred to as a TOR browser. Darknet marketplaces function primarily as black markets, selling or brokering transactions involving drugs, cyber-arms, weapons, counterfeit currency, stolen credit card details, forged

documents, unlicensed pharmaceuticals, steroids, and other illicit goods as well as the occasional sale of legal products. Darknet vendors (also known as distributors) operate on these dark net markets as sellers of these goods through vendor accounts. Customers, meanwhile, operate customer accounts. Vendor and customer accounts are identified monikers or handles, much like a username one would use on a clear website. If a moniker on a particular marketplace has not already been registered by another user, vendors and customers can use the same moniker across multiple marketplaces. Vendors provide detailed information about their wares on these sites, including listings of their drugs for sale, contact information (such as TOR-based email or encrypted messaging applications), and the prices and quantities of drugs for sale in digital currencies.

3. Digital currencies and tokens are electronically sourced units of value that exist on the internet and are not stored in a physical form. Cryptocurrencies, a form of digital currency, are not issued by any government, but instead are generated and controlled through computer software operating on decentralized peer-to-peer networks. Bitcoin is one example of a cryptocurrency. Users of cryptocurrencies send units of value to and from “addresses,” which are unique strings of numbers and letters functioning like a public account number. Cryptocurrency transactions are recorded on a publicly available distributed ledger, often referred to as a “blockchain.” Because cryptocurrencies are transferred peer-to-peer, users can avoid traditional, regulated financial institutions that collect information about their customers and maintain anti-money laundering and fraud programs.

THE CONSPIRACY

4. Beginning in at least April 2020 and continuing through February 2021, within the Eastern District of Virginia and elsewhere, the defendant, COLBY JOHN KOPP (“KOPP”), did

knowingly, intentionally, and unlawfully combine, conspire, confederate, and agree with others, known and unknown to the Grand Jury, to distribute 40 grams or more of a mixture and substance containing a detectable amount of N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propenamide, commonly referred to as fentanyl, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

WAYS, MANNER, AND MEANS

The main purpose of the conspiracy was to make money through the distribution of controlled substances, including fentanyl. The ways, manner, and means by which KOPP and others carried out this purpose include, but were not limited to, the following:

5. It was part of the conspiracy that KOPP, ADRIANA BEATRICE SUTTON (“SUTTON”), Unindicted Co-Conspirator One (“UCC-1”), Unindicted Co-Conspirator Two (“UCC-2”), and others used darknet marketplaces to conduct drug trafficking business. KOPP created, maintained, and controlled darknet marketplace accounts for trafficking in narcotics. As a darknet marketplace vendor, KOPP and other members of the conspiracy used the moniker “MADHATTERPHARMA” to engage in the sale of pressed pills containing fentanyl. KOPP and his co-conspirators operated vendor accounts on several darknet marketplaces, including Empire Market, Dark Market, Icarus, and White House.

6. It was part of the conspiracy that members used the MADHATTERPHARMA account as an online storefront for the sale of dangerous controlled substances, including pressed pills containing fentanyl. The conspiracy members trafficked fentanyl from a base of operations in Connecticut to locations throughout the United States.

7. It was part of the conspiracy that KOPP and his co-conspirators created a vendor account on Empire Market in or around May 2020, using the moniker MADHATTERPHARMA.

The only product listed for sale by MADHATTERPHARMA were illegal narcotics. MADHATTERPHARMA offered only one product for sale, which was listed as “M/30 OXYCODONE PERCOCET 30MG,” and was described as pills pressed with fentanyl and morphine. MADHATTERPHARMA advertised the narcotics as, “PRODUCT IS STRONG! START WITH HALF A PILL AND MOVE UP FROM THERE! PILLS ARE MADE WITH HIGH QUALITY INGREDIENTS! Professional stealth and pharmacy grade compression binder used. Pills are hard and don’t crumble during shipping.”

8. It was part of the conspiracy that KOPP and his co-conspirators sold the fentanyl pills for \$9 each for orders of up to 99 pills. The price was scaled so each pill was \$8 for orders of 100 to 200 pills, \$7.50 for 201 to 300 pills, and \$7 for orders of between 301 and 9,999 pills. The MADHATTERPHARMA profile stated that the minimum order was ten pills for first-time buyers and 20 pills for returning customers. As of August 13, 2020, KOPP and his co-conspirators had completed at least 554 deals or transactions as MADHATTERPHARMA on Empire Market.

9. It was part of the conspiracy that KOPP and his co-conspirators created a vendor account on Dark Market in or around September 2020, using the moniker MADHATTERPHARMA. KOPP and his co-conspirators referred to the product listed for sale as “blues,” and “the same M/30 presses from Empire.” As of December 10, 2020, KOPP and his associates had completed at least 187 sales as MADHATTERPHARMA on Dark Market.

10. It was part of the conspiracy that KOPP and his co-conspirators received voluntary customer reviews and feedback for the pressed pills sold by MADHATTERPHARMA on Empire Market and Dark Market. The available reviews discussed transactions involving the sale of pressed pills containing fentanyl and provided information on the volume of pressed pills containing fentanyl sold by MADHATTERPHARMA.

11. It was part of the conspiracy that KOPP and other members of the conspiracy used the “About” page on the MADHATTERPHARMA vendor profiles to tell customers about who was operating the store. On Empire Market, the MADHATTERPHARMA “About” page stated, in part, “We are an experienced group of professionals that have been in the game for years . . . We specialize in bulk shipping. Our prices for all products we offer will be focused on bulk supply. We like to be the plug’s plug . . . We look forward to working with you all, lets all get fucking rich!” On Dark Market, the description read, “We are MADHATTERPHARMA from Empire and Icarus. We have had a 98% positive feedback on Empire Market with 550 sales and 100% positive feedback on Icarus Market with 60 sales.”

12. It was part of the conspiracy that KOPP and other members of the conspiracy made periodic updates to the MADHATTERPHARMA vendor profile on various marketplaces. This was used as a mass communication method to apprise customers of changes in order protocol, shipping issues, and all other business-related correspondence. KOPP and his co-conspirators used the word “we” when referring to themselves on each MADHATTERPHARMA account, indicating that more than one person was responsible for operating the store.

13. It was part of the conspiracy that KOPP and other members of the conspiracy used various methods designed to protect the membership’s anonymity and to provide security for the criminal organization from law enforcement and other criminal organizations. These methods included the use of:

- a. Internally hosted messaging services on Empire Market and other darknet marketplaces.
- b. “Pretty Good Privacy” (“PGP”) encryption.

- c. Private messaging, including through Wickr, an end-to-end encrypted communications application.

14. It was part of the conspiracy that KOPP operated a Wickr account with the username "HATMATTER," and used the account to conduct drug trafficking business, including to arrange the sale of pressed pills containing fentanyl directly with customers.

15. It was part of the conspiracy that KOPP and other members of the conspiracy accepted Bitcoin as payment from customers in exchange for distributing pressed pills containing fentanyl through both darknet marketplaces and direct sales via Wickr. When conducting direct sales they provided multiple different Bitcoin addresses to customers to facilitate payment.

16. It was part of the conspiracy that KOPP utilized an account with Coinbase, a company that provides a secure platform to buy, sell, and store cryptocurrency like Bitcoin. KOPP transferred proceeds of sales of pressed pills containing fentanyl to his Coinbase account as well as a Coinbase account registered to KOPP's co-conspirator, SUTTON.

17. It was part of the conspiracy that KOPP used PayPal to receive proceeds of the drug sales that he transferred from his Coinbase account to his PayPal account.

18. It was part of the conspiracy that KOPP, SUTTON, and other members of the conspiracy used Bitcoin ATMs to sell illicit Bitcoin proceeds for U.S. Currency.

19. It was part of the conspiracy that KOPP, SUTTON, UCC-1, and other members of the conspiracy used the U.S. Postal Service as the means of distributing their controlled substances. KOPP and other members of the conspiracy used various means to hide their identification as the shippers of drug parcels, including using names and addresses on the return information that was unaffiliated with the drug parcel or the larger conspiracy, depositing parcels

at various USPS collection boxes in the same geographical location to make it harder to identify and track members, and packaging and handlings parcels to avoid leaving fingerprints.

20. It was part of the conspiracy that KOPP and other members of the conspiracy acquired a pill press machine and die punches, together with tablet binder and powder fentanyl, to make illicit pills that were intended to look like genuine 30 milligram Percocet pills.

21. It was part of the conspiracy that KOPP, SUTTON, UCC-1, and other members of the conspiracy used a residence located at 38 James Street in Torrington, Connecticut for the purpose of manufacturing and distributing pressed pills containing fentanyl as part of the MADHATTERPHARMA conspiracy. Members of the conspiracy used the property to store fentanyl, to make pressed pills containing fentanyl, and to package drug parcels in preparation for shipment.

OVERT ACTS

In furtherance of the conspiracy, and to accomplish its objects, the defendant and his conspirators committed overt acts including, but not limited to, the following:

22. On or about April 22, 2020, KOPP ordered one kilogram of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

23. On or about May 4, 2020, KOPP created a vendor profile for MADHATTERPHARMA on Empire Market.

24. On or about June 10, 2020, KOPP ordered one kilogram of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

25. On or about July 16, 2020, KOPP ordered two kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

26. On or about July 21, 2020, KOPP ordered two punches and a die, including those necessary for stamping “M” and “30” on a pressed pill, for use in a manual pill press machine. KOPP had them shipped to 38 James Street in Torrington, Connecticut.

27. On or about August 14, 2020, MADHATTERPHARMA operating on Empire Market sold an undercover law enforcement officer (hereinafter referred to as “UC”) ten counterfeit pressed pills containing fentanyl for \$100, which the UC sent to MADHATTERPHARMA in Bitcoin through the marketplace. SUTTON helped package the ten pills in preparation for shipment.

28. On or about August 18, 2020, the conspiracy caused a package of ten pressed pills containing fentanyl to be shipped to the UC at an undercover address in Prince William County, Virginia, within the Eastern District of Virginia. The pressed pills containing fentanyl were blue, had “M” stamped on one side and “30” on the other, and weighed approximately 2.27 grams.

29. On or about August 18, 2020, KOPP ordered two kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

30. On or about August 25, 2020, MADHATTERPHARMA posted a message on a darknet discussion forum that it was accepting orders via direct deals and directed customers to contact them through the private message function of the forum. The UC messaged MADHATTERPHARMA on the darknet forum asking to conduct a direct deal.

31. On or about September 1, 2020, MADHATTERPHARMA responded to the UC via private message and provided the UC with a Bitcoin address assigned to KOPP's Coinbase account where the UC could send payment for a future order. That same day, MADHATTERPHARMA posted a notice on the forum to verify that it was the same MADHATTERPHARMA from Empire Market.

32. On or about September 5, 2020, MADHATTERPHARMA communicated with the UC via a private message on the forum and provided "HATMATTER" as their username on Wickr so that the UC could contact them there. That same day, HATMATTER sold the UC 20 pills containing fentanyl for \$190. HATMATTER provided a second Bitcoin address assigned to KOPP's Coinbase account where the UC sent payment for the pills. Less than an hour after the UC sent the Bitcoin to the address provided by HATMATTER, KOPP sold the Bitcoin to Coinbase and then transferred the money to his PayPal account.

33. On or about September 8, 2020, the conspiracy caused a package of 20 pressed pills containing fentanyl to be shipped to the UC at an undercover address in Prince William County, Virginia, within the Eastern District of Virginia. The pressed pills containing fentanyl were blue, had "M" stamped on one side and "30" on the other, and weighed approximately 3.61 grams.

34. On or about September 11, 2020, HATMATTER and the UC communicated on Wickr about three broken pills from the previous order. The UC asked HATMATTER if "you guys press your own stuff," and HATMATTER responded affirmatively.

35. On or about September 26, 2020, after the UC placed an order for 100 pills from HATMATTER on Wickr, HATMATTER provided a third Bitcoin address assigned to KOPP's Coinbase account to the UC. The UC sent Bitcoin to that address as payment for the pressed pills

containing fentanyl. Later that same day, KOPP sold the Bitcoin to Coinbase and then transferred the money to his PayPal account.

36. On or about September 28, 2020, UCC-2 shipped 100 pressed pills containing fentanyl to the UC at an undercover address in Prince William County, Virginia, within the Eastern District of Virginia. The pressed pills were blue, had "M" stamped on one side and "30" on the other, contained heroin, tramadol, and fentanyl, and weighed approximately 25.9 grams. A fingerprint belonging to KOPP was on the outside of the package.

37. On or about October 13, 2020, HATMATTER and the UC communicated via Wickr about the purchase of narcotics. The UC placed an order for 100 pills containing fentanyl in exchange for \$750. HATMATTER provided a fourth Bitcoin address assigned to KOPP's Coinbase account to the UC where the UC sent payment for the fentanyl pills. The UC asked HATMATTER, "Business good? Folks seemed to like the new batch." HATMATTER replied, "Yes" and "I sold 11 hundred packs so far today" and "That's not including local sales."

38. On or about October 14, 2020, KOPP sent \$750 of Bitcoin to SUTTON'S Coinbase account. A few hours later, SUTTON sold the Bitcoin at a Bitcoin ATM at or near Bristol, Connecticut, and withdrew \$700 in cash.

39. On or about October 15, 2020, UCC-2 shipped 100 pills containing fentanyl to the UC at an undercover address in Prince William County, Virginia, within the Eastern District of Virginia. The fentanyl pills were blue, had "M" stamped on one side and "30" on the other, and weighed approximately 20.22 grams.

40. On or about October 26, 2020, KOPP ordered two kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

41. On or about November 7, 2020, HATMATTER contacted the UC via Wickr and offered a special deal on a 100-pack of pills.

42. On November 9, 2020, HATMATTER contacted the UC via Wickr and stated that they would include a bonus of 20 percent to an order of pills placed by the UC.

43. On or about November 13, 2020, HATMATTER contacted the UC via Wickr and asked if the UC wanted to order 100 pills.

44. On or about November 16, 2020, HATMATTER sold the UC 100 pills containing fentanyl in exchange for \$810 in Bitcoin. HATMATTER provided a fifth Bitcoin address assigned to KOPP's Coinbase account to the UC. The UC sent Bitcoin to that address as payment for the fentanyl pills. That same day, KOPP sent \$700 worth of Bitcoin to SUTTON's Coinbase account.

45. On or about November 17, 2020, SUTTON sold Bitcoin at a Bitcoin ATM at or near Bristol, Connecticut and withdrew \$1,180 in cash.

46. On or about November 18, 2020, the conspiracy caused 120 pills containing fentanyl to be shipped to the UC at an undercover address in Prince William County, Virginia, within the Eastern District of Virginia. The pills were blue, had "M" stamped on one side and "30" on the other, contained fentanyl and heroin, and weighed approximately 23.38 grams.

47. On or about December 8, 2020, HATMATTER and the UC communicated via Wickr about the purchase of narcotics. HATMATTER told the UC that the UC would receive the same 20 percent bonus as the previous order. HATMATTER provided a sixth Bitcoin address, which was not assigned to KOPP's Coinbase account, and confirmed to the UC that they were using a new Bitcoin wallet. The UC placed an order for 100 pills in exchange for \$910 of Bitcoin. That same day, the new MADHATTERPHARMA Bitcoin wallet sent \$500 worth of Bitcoin to KOPP's Coinbase account and \$575 worth of Bitcoin to SUTTON's Coinbase account.

48. From June 2020 through December 2020, KOPP transferred Bitcoin to SUTTON a total of 11 times, totaling over \$14,000.

49. On or about December 30, 2020, after failing to respond to multiple messages from the UC about the order of narcotics from December 8, MADHATTERPHARMA posted a message on Dark Market stating, in part, “WE ARE BACK FROM VACATION MODE!!!” and “COME GET YOUR BLUES FOLKS!!!”

50. On or about February 1, 2021, KOPP ordered one kilogram of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut.

51. On or about February 3, 2021, in response to the UC asking HATMATTER via Wickr if HATMATTER was still in business, HATMATTER responded affirmatively.

52. From between May 16, 2020, through February 3, 2021, KOPP received approximately \$70,400 worth of Bitcoin to his Coinbase account.

(All in violation of Title 21, United States Code, Section 846.).

FORFEITURE NOTICE

THE GRAND JURY FURTHER FINDS PROBABLE CAUSE THAT:

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant, COLBY JOHN KOPP, is hereby notified that if convicted of the violations set forth in Count One of the Indictment he shall forfeit to the United States, pursuant to Title 21, United States Code, Section 853(a) the following: (1) any property constituting, or derived from, any proceeds the defendant obtained, directly or indirectly, as the result of such violation and (2) any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation.

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant, COLBY JOHN KOPP, is hereby notified that if convicted of any of the violations set forth in this Indictment, the defendant, COLBY JOHN KOPP, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 924(d)(1), and Title 28, United States Code, Section 2461(c), all firearms and ammunition involved in or used in the commission of the offense.

(continued)

Pursuant to 21 U.S.C. § 853(p), the defendant, COLBY JOHN KOPP shall forfeit substitute property if, by any act or omission of the defendants, the property referenced above or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to, or deposited with a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been comingled with other property which cannot be divided without difficulty.

(In accordance with 21 U.S.C. § 853; 18 U.S.C. § 924(d)(1); 28 U.S.C. § 2461(c); and Rule 32.2(a) of the Federal Rules of Criminal Procedure.)

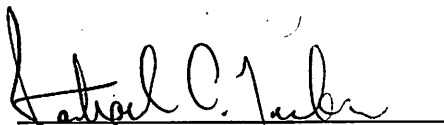
A TRUE BILL:

Pursuant to the E-Government Act,
this page has been filed
electronically in the Clerk's Office.

FOREPERSON OF THE GRAND JURY

Jessica D. Aber
United States Attorney

By:


Rachael C. Tucker
Assistant United States Attorney